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April 6, 2025

Via ECF

The Honorable Laurie Selber Silverstein
United States Bankruptcy Court for the District of Delaware
824 N. Market Street
6th Floor
Wilmington, Delaware 19801

Re: *In re Franchise Group, Inc., et al., Case No. 24-12480 (LSS)*

Dear Judge Silverstein:

In advance of the hearing tomorrow, we write to inform the Court of certain proposed modifications to the schedule that will allow the parties to complete any remaining discovery while maintaining the current dates for the Confirmation and Adequate Protection Hearing. We shared this schedule with the revised interim dates with all of the parties to the current scheduling order.

At this point, there is no need to adjourn the dates this Court has reserved for the Confirmation and Adequate Protection Hearing. The parties have five weeks until the hearing is set to begin, and that is sufficient time to complete the remaining discovery and prepare for trial. Contrary to the Freedom Lenders' complaints, the Debtors have complied with all of their obligations under the current scheduling order, including timely serving initial and rebuttal expert reports and the independent director reports and substantially completing the production of documents responsive to existing requests and search terms. As for any outstanding documents, those primarily relate to the investigations being conducted and were subject to new searches and/or requests. Most importantly, under the existing scheduling order, it was expressly contemplated that any documents subject to new searches would continue to be produced on a rolling basis, and that is exactly what has happened. Completion of the production of those documents will occur within the next week – which provides the Freedom Lenders with more than enough time to take depositions concerning the Intercompany Settlement.

As of the now, the two largest impediments to completing discovery are the Freedom Lenders' positions. First, in an apparent attempt to use the schedule as leverage, the Freedom Lenders

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have refused to confirm any deposition dates, even though the Debtors have, on two separate occasions, provided numerous deposition dates for the noticed witnesses, including dates over the next few weeks. This includes dates that the Debtors initially provided starting March 14th and then revised dates that the Debtors provided as recently as Wednesday and Friday. To date, the Freedom Lenders have been unwilling to schedule any depositions, even though most of the noticed depositions should have already occurred.

Second, the Freedom Lenders have refused to respond substantively to document discovery or make witnesses available for depositions. Specifically, on Friday night, the Freedom Lenders' counsel reversed their earlier position and objected across the board to providing any discovery of PIMCO or Irradiant in response to discovery from the Debtors and the Ad Hoc Group of First Lien Lenders. Absent an immediate resolution of this issue, the Debtors may be submitting a letter motion to compel later this week.

Under these circumstances, there are no grounds to further extend the schedule. Instead, as set out in the modified schedule attached as **Exhibit A**, only three minor modifications to the current schedule are necessary:

1. Inserting into the schedule a deadline of April 13th for the Debtors to complete the production of documents relating to any new searches (including any new requests relating to the Intercompany Settlement). This will provide the Freedom Lenders with documents sufficiently in advance of the deadline to complete depositions relating to the Intercompany Settlement, which will be April 23rd (see below).
2. Even though the Freedom Lenders have refused to confirm the two sets of deposition dates previously provided, the Debtors will agree to extend the deadline to complete depositions to April 23rd.
3. As a result of the modified deadline to complete depositions, the deadline to file objections to the Plan and/or the Adequate Protection Motion will move from April 23rd to April 30th.

All other deadlines in the current scheduling will remain the same and do not need to be changed. As a result, the remaining schedule (as modified) is as follows:

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vii. April 13, 2025 shall be the date by which the Debtors' counsel shall certify the substantial completion of documents responsive to new searches and requests.

~~viii.~~ April 23~~18~~, 2025 shall be the date by which the Parties shall complete the depositions of fact, expert, and independent director witnesses, except as otherwise agreed by the Parties to address scheduling issues.

b. Discovery Related to Plan Releases

- i. **March 26, 2025** shall be the date by which the Debtors shall serve any independent director reports regarding releases under the Plan. The discovery schedule set forth above shall be without prejudice to the Parties' rights to seek additional discovery related to any releases provided under the Plan following the issuance of independent director reports.
- ii. **March 28, 2025** shall be the date by which the Parties shall meet and confer with respect to any additional discovery related to releases under the Plan.

c. Pre-Hearing Matters

- i. **April 30~~23~~, 2025** shall be the date by which objections to plan confirmation and the Adequate Protection Motion shall be due.
- ii. **May 5, 2025** shall be the date by which the Parties shall exchange deposition designations and file any motions *in limine* related to plan confirmation and the Adequate Protection Motion.
- iii. **May 7, 2025** shall be the date by which the Parties shall exchange final witness lists and a list of proposed exhibits and exchange counter designations.
- iv. **May 7, 2025** shall be the date on which replies for Plan confirmation and the Adequate Protection Motion are due.
- v. **May 9, 2025** shall be the date by which the Parties must exchange any objections to deposition counter-designations and file any oppositions to motions *in limine*.

- d. **Hearing.** The hearing on the Adequate Protection Motion and plan confirmation shall commence on May 12 and shall continue day to day, through and including May 19. The trial with respect to plan confirmation and the Adequate Protection Motion shall be conducted on a clock, equally allocated between plan supporters and plan objectors. The Parties shall discuss in good faith means to streamline evidentiary presentations to the Court.

We look forward to discussing further during the hearing tomorrow.

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Sincerely,

/s/ Mark McKane, P.C.

Mark McKane, P.C.